

## **MAJOR GOVERNMENTAL FUNDS**

The **General Fund** is the primary operating fund of the City. It accounts for all financial resources except those required to be accounted for in another fund. It derives the majority of its revenues from property, sales, business, and utility taxes.

The **Low-Income Housing Fund** manages activities undertaken by the City to preserve, rehabilitate, or replace low-income housing. It also accounts for a seven-year housing levy approved by the voters in 2002 to provide, produce, and/or preserve affordable housing in Seattle and to assist low-income tenants in Seattle.

Descriptions for the nonmajor governmental funds are provided in the combining statements section.

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**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**December 31, 2003**  
*(In Thousands)*

				Comparative Totals	
	General	Low-Income Housing	Other Governmental	2003	Restated 2002
ASSETS					
Cash and Equity in Pooled Investments	\$ 71,373	\$ 38,200	\$ 196,485	\$ 306,058	\$ 510,341
Cash with Fiscal Agent	-	-	77	77	246
Investments	-	-	-	-	17,884
Receivables, Net of Allowances					
Taxes	35,493	248	4,963	40,704	40,055
Accounts	2,542	-	4,765	7,307	11,917
Contracts and Notes	4	-	4	8	9
Special Assessments - Delinquent	-	-	1	1	3
Interests and Dividends	25	-	100	125	565
Unbilled and Others	156	-	2,762	2,918	2,842
Due from Other Funds	13,855	860	9,289	24,004	35,996
Interfund Loans	-	-	-	-	2,501
Due from Other Governments	30,566	175	21,703	52,444	51,076
Inventories	84	-	677	761	781
Prepaid and Other Current Assets	1,721	-	-	1,721	1,267
Contracts and Notes - Noncurrent	5,771	167,693	62,861	236,325	208,196
Advances to Other Funds/Interfund Notes Receivable	19,861	-	70,000	89,861	5,950
Deferred Charges and Other Assets	-	-	38	38	72
Total Assets	\$ 181,451	\$ 207,176	\$ 373,725	\$ 762,352	\$ 889,701
LIABILITIES					
Accounts Payable	\$ 14,836	\$ -	\$ 43,578	\$ 58,414	\$ 65,164
Matured Long-Term Debt - Principal	-	-	75	75	235
Matured Long-Term Debt - Interest	-	-	2	2	11
Contracts Payable	123	-	5,991	6,114	8,310
Due to Other Funds	6,259	254	10,298	16,811	29,645
Due to Other Governments	6,505	80	5,071	11,656	10,394
Salaries, Benefits, and Taxes Payable	12,896	-	6,454	19,350	17,161
Accrued Interest Payable	-	40	-	40	447
Deposits Payable	716	902	270	1,888	2,033
Revenue Collected/Billed in Advance - Current	2,012	-	1,239	3,251	2,866
Other Current Liabilities	116	1	-	117	162
Advances from Other Funds	-	-	9,501	9,501	-
Deferred Revenues	19,171	167,941	68,107	255,219	217,486
Total Liabilities	62,634	169,218	150,586	382,438	353,914

The accompanying notes are an integral part of these financial statements.

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**BALANCE SHEET  
GOVERNMENTAL FUNDS  
December 31, 2003  
(In Thousands)**

				Comparative Totals	
	General	Low-Income Housing	Other Governmental	2003	Restated 2002
FUND BALANCES					
Reserves Legally Segregated for Future Use					
Capital Improvement	\$ 24,843	\$ -	\$ 83,138	\$ 107,981	\$ 297,812
Continuing Appropriations	8,804	6,197	11,453	26,454	68,942
Debt Service	9,147	-	13,280	22,427	19,799
Encumbrances	11,820	29,380	35,587	76,787	60,786
Health Care Union Rate Stabilization	4,055	-	-	4,055	-
Reserves Not Available for Appropriation					
Endowments	-	-	2,050	2,050	2,050
Gifts	-	-	2,892	2,892	7,434
Advances to Other Funds	14,702	-	65,951	80,653	5,950
Inventories	-	-	396	396	464
Petty Cash	3,219	-	26	3,245	2,203
Unreserved, Reported in					
Major Funds					
Designated for Special Purposes	35,834	-	-	35,834	38,457
Undesignated	6,394	2,381	-	8,775	20,072
Special Revenue Funds	-	-	8,205	8,205	11,157
Capital Projects Funds	-	-	-	-	37
Permanent Funds	-	-	161	161	624
Total Fund Balances	118,818	37,958	223,139	379,915	535,787
Total Liabilities and Fund Balances	\$ 181,452	\$ 207,176	\$ 373,725		

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	2,138,913	1,894,824
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	25,753	6,078
Internal service funds are used by management to charge the costs of Fleets and Facilities, Information Technology, and Engineering Services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets. Adjustments to reflect the consolidation of internal service fund (ISF) activities related to enterprise funds and prior-year adjustment (B-6) are added back to ISF total net assets, and the latter amounts are included in governmental activities.	102,957	96,747
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(1,051,008)	(1,021,823)
Net Adjustments	<u>1,216,615</u>	<u>975,826</u>
Net Assets of Governmental Activities	<u>\$ 1,596,530</u>	<u>\$ 1,511,613</u>

The accompanying notes are an integral part of these financial statements.

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## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES

### IN FUND BALANCES

#### GOVERNMENTAL FUNDS

For the Year Ended December 31, 2003

(In Thousands)

				Comparative Totals	
	General	Low-Income Housing	Other Governmental	2003	2002
<b>REVENUES</b>					
Taxes	\$ 562,426	\$ 11,766	\$ 92,847	\$ 667,039	\$ 659,155
Licenses and Permits	15,955	1	1,545	17,501	15,134
Grants, Shared Revenues, and Contributions	16,624	3,910	75,829	96,363	145,646
Charges for Services	51,035	230	60,472	111,737	108,770
Fines and Forfeits	17,164	-	2,334	19,498	17,697
Parking Fees and Space Rent	27,328	31	20,759	48,118	46,125
Program Income, Interest, and Miscellaneous Revenues	17,056	5,994	13,134	36,184	42,840
Total Revenues	707,588	21,932	266,920	996,440	1,035,367
<b>EXPENDITURES</b>					
Current					
General Government	99,180	-	3,912	103,092	119,166
Judicial	19,116	-	-	19,116	19,381
Public Safety	293,103	-	3,187	296,290	281,667
Physical Environment	5,784	-	212	5,996	5,404
Transportation	519	-	82,893	83,412	79,393
Economic Environment	18,173	20,485	51,613	90,271	100,908
Health and Human Services	12,582	-	16,554	29,136	30,461
Culture and Recreation	3,265	-	167,337	170,602	172,612
Capital Outlay					
General Government	12,888	-	63,731	76,619	105,143
Judicial	-	-	-	-	125
Public Safety	502	-	42	544	775
Physical Environment	-	-	-	-	13
Transportation	-	-	18,459	18,459	27,017
Economic Environment	2	-	-	2	339
Health and Human Services	-	-	-	-	651
Culture and Recreation	16,345	-	168,764	185,109	177,547
Debt Service					
Principal	-	-	45,217	45,217	42,993
Advance Refunding to Escrow	-	-	5,368	5,368	30,533
Interest	-	-	42,097	42,097	37,785
Bond Issuance Cost	-	-	381	381	1,087
Other	38	-	101	139	727
Total Expenditures	481,497	20,485	669,868	1,171,850	1,233,727
Excess (Deficiency) of Revenues Over Expenditures	226,091	1,447	(402,948)	(175,410)	(198,360)
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-Term Debt Issued	-	-	63,422	63,422	307,845
Premium on Bonds Issued	-	-	2,747	2,747	5,840
Discount on Bonds Issued	-	-	-	-	(3)
Payments on Intergovernmental Agreements	-	-	(20,000)	(20,000)	-
Payment to Refunded Bond Escrow Agent	-	-	(4,039)	(4,039)	(69,119)
Sales of Capital Assets	5,682	107	1,076	6,865	8,297
Transfers In	4,831	-	240,503	245,334	253,633
Transfers Out	(227,148)	-	(47,642)	(274,790)	(278,792)
Total Other Financing Sources (Uses)	(216,635)	107	236,067	19,539	227,701
Net Change in Fund Balances	9,456	1,554	(166,881)	(155,871)	29,341
Fund Balances - Beginning of Year	109,362	36,404	390,020	535,786	506,445
Fund Balances - End of Year	\$ 118,818	\$ 37,958	\$ 223,139	\$ 379,915	\$ 535,786

The accompanying notes are an integral part of these financial statements.

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**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2003**

*(In Thousands)*

	<u>Comparative Totals</u>	
	<u>2003</u>	<u>2002</u>
Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balance - total governmental funds	\$ (155,871)	\$ 29,341
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over the estimated useful lives and reported as depreciation expense. This is the depreciation in the current period.	(54,233)	(48,570)
The net effect of various miscellaneous transactions involving capital assets (e.g. sales, trade-ins, and donations).	298,323	326,517
A long-term receivable was recorded as deferred revenue in the governmental funds.	20,000	-
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(326)	565
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(11,280)	(172,894)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(17,909)	(9,998)
Internal service funds are used by management to charge the costs of Fleets and Facilities, Information Technology, and Engineering Services to individual funds. The amounts represent adjustments to reflect the consolidation of internal service fund activities related to enterprise funds and prior-year adjustment (B-7).	(205)	1,539
The net revenue of certain activities (change in net assets) of internal service funds is reported with governmental activities (B-7).	6,412	(1,476)
Change in Net Assets of Governmental Activities	<u>\$ 84,911</u>	<u>\$ 125,024</u>

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